

(Agreement at Part A, p. 34.)

24. The impact of these provisions is crystal clear. Reciprocal compensation is owed for the transport and termination of *all* local calls, regardless of the ratio of traffic exchanged between the parties and/or the identity of the terminating end-user. Furthermore, the terms of the Agreement are subject to final, binding decisions of this Commission and, if a representation or understanding is not contained within the four corners of the Agreement, it is ineffective.

THE DISPUTE

25. During the time period covered by this Complaint, US LEC has had three switches operating in Virginia, all of which are Lucent 5ESS switches. The Norfolk switch was turned up on March 19, 1999; the Richmond switch was turned up on June 30, 1999; and the Northern Virginia switch was turned up on January 12, 2000.

26. US LEC has billed Verizon on a monthly basis for reciprocal compensation under the Agreement. Beginning on or about the following dates, US LEC's switches each served a geographic area comparable to the area served by a Verizon tandem:

Norfolk: April 30, 1999

Richmond: August 31, 1999

Northern Virginia: May 30, 2000

This is all that is required under the rules promulgated by the FCC.^{12/} To the extent the Commission believes that it still is necessary to analyze the functions performed by US LEC's

^{12/} 47 C.F.R. § 51.711(a)(3); *see also*, *U.S. West Communications, Inc. v. Washington Utilities and Transportation Commission*, 2001 WL 740573 (9th Cir. 2001)(compensation at the tandem rate is proper where the carrier's switch serves a geographic area comparable to the area served by the incumbent's tandem; there is no similar functionality requirement).

switches, US LEC submits that each switch performs functions similar to those performed by a Verizon tandem. As a result, US LEC has been entitled to invoice Verizon at the tandem rate for traffic exchanged by its switches since the dates set forth above and US LEC has billed Verizon at the tandem rate set forth in the Agreement from those dates through the balance of the period covered by this Complaint.

27. Despite the plain language of the Agreement, and the unequivocal ruling of the Commission, Verizon has refused to pay US LEC the full amounts invoiced. Instead, Verizon *unilaterally* determined that it will not compensate US LEC for any traffic volume that exceeds twice the number of minutes of use that Verizon bills US LEC. Verizon's stated position is that it will not compensate US LEC for such traffic as it assumes, without any basis, that such excess traffic volume is Internet traffic. However, even if US LEC is terminating traffic to ISPs, this fact alone does not provide Verizon with any basis to withhold compensation for any properly billed traffic.

PRIOR COMMISSION DETERMINATIONS

28. Almost three years before the Agreement at issue here was signed, and in the context of a proceeding brought by Cox Virginia Telecom to interpret and enforce the terms of its interconnection agreement with Verizon Virginia Inc. (f/k/a Bell Atlantic-Virginia, Inc.) (the "Cox Agreement"), the Commission was presented with, and had occasion to consider and to decide, a dispute over a reciprocal compensation arrangement virtually identical in all material respects to the arrangement set forth in the Agreement at issue here.^{13/}

^{13/} *Petition of Cox Virginia Telecom, Inc. for enforcement of interconnection agreement with Bell Atlantic-Virginia, Inc. and arbitration award for reciprocal compensation for the termination of*

29. Specifically, in the Cox Agreement, the parties agreed to “compensate each other for the transport and termination of Local Traffic in an equal and symmetrical manner at the rates provided in the Detailed Schedule of Itemized Charges.”^{14/} This provision is not materially different from the reciprocal compensation provision of the Agreement at issue here.

21. Verizon took the same position with Cox that it takes here, namely, that calls terminating at ISPs were not local calls subject to the reciprocal compensation provisions of that agreement. Cox filed a Petition with the Commission to resolve that dispute. Considering the positions of the parties, the Commission rejected Verizon’s arguments, which are identical to the arguments Verizon will again make here. Simply put, the Commission concluded that, for the purposes of reciprocal compensation, calls to ISPs were considered to be local. The Commission stated its conclusion as follows:

Having considered the response of [Verizon] and the replies, the Commission finds that calls to ISPs as described in the Cox petition constitute local traffic under the terms of the agreement between Cox and [Verizon] and that the companies are entitled to reciprocal compensation for the termination of this type of call.

Calls that are placed to a local ISP are dialed by using the traditional local-service, seven-digit dialing sequence. Local service provides the termination of such calls at the ISP, and any transmission beyond that point presents a new consideration of service(s) involved. The presence of CLECs does not alter the nature of this traffic.^{15/}

local calls to Internet Service Providers, Case No. PUC-970069, Final Order (Oct. 24, 1997).

^{14/} *Interconnection Agreement Under Sections 251 and 252 of the Telecommunications Act of 1996* (dated as of February 12, 1997) at section 5.7.2.

^{15/} Final Order at 2.

30. Verizon initially appealed the Commission's decision to the Supreme Court of Virginia^{16/} but, for reasons of its own choosing, withdrew that appeal.^{17/} In short, the Commission's decision interpreting the scope of carriers' reciprocal compensation obligations to each other under interconnection agreements, as those provisions relate to telephone calls to ISPs, is final, binding and enforceable in Virginia.

31. This conclusion is only reinforced by the FCC's recent *ISP Remand Order*. In that *Order*, the FCC stated that its substantive conclusions were prospective only and that it did not "preempt any state commission decision regarding compensation for ISP-bound traffic for the period prior to the effective date of the interim regime we adopt here."^{18/}

32. Verizon refuses to pay reciprocal compensation for traffic that exceeds a unilaterally defined ratio because Verizon assumes such traffic is due to the ISP customer calls terminated by US LEC. This position is wholly inconsistent with (a) the Commission's *Cox Telecom* decision, (b) decisions of the United States Courts of Appeal for the Seventh, Ninth and Fifth Circuits, (c) decisions of numerous United States District Courts, and (d) relevant FCC orders.

33. The Reciprocal Compensation provisions in Attachment IV clearly require the parties to compensate each other for the termination of all local traffic; there is no exception in

^{16/} *Bell Atlantic-Virginia, Inc. v. Cox Virginia Telecom, Inc., et al.*, Record No. 980385, Petition for Appeal filed February 24, 1998.

^{17/} *Id.*, Order Granting Motion For Leave To Withdraw Appeal (April 10, 1998).

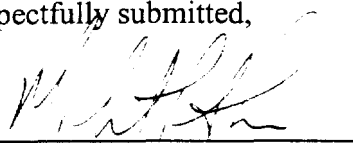
^{18/} *ISP Remand Order* at ¶ 82.

the Agreement for calls terminating at ISPs and certainly no ratio of terminating-to-originating traffic imposed.

REQUEST FOR RELIEF

For all the reasons stated herein, US LEC respectfully requests that the Commission adopt and apply the *Cox Telecom* Decision declare that US LEC is entitled to be compensated for transporting and terminating all local calls, regardless of any ratio of terminating-to-originating traffic and regardless of the identity of the terminating end-user, under the terms of the Agreement and declaring that Verizon is liable to pay US LEC all past due amounts accrued under the Agreement together with interest or late fees thereon, as permitted by the Agreement or by applicable Virginia law, together with amounts that will continue to accrue until the Agreement is replaced, and to grant US LEC such other relief to which it may be entitled.

Respectfully submitted,



Richard M. Rindler
Michael L. Shor (Va. Bar No. 28478)
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7775
Fax: (202) 424-7645
E-mail: mlshor@swidlaw.com

Counsel for US LEC of Virginia L.L.C.

Dated: September 13, 2001

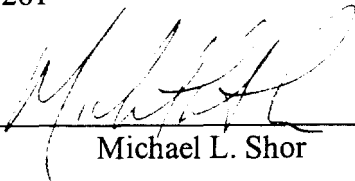
CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of September, 2001, true and correct copies of the foregoing Petition of US LEC of Virginia L.L.C. For Declaratory Judgment Interpreting and Enforcing Interconnection Agreement with Verizon Virginia Inc. was served by first class mail, postage pre-paid upon:

President - Telecom Industry Services
Bell Atlantic Corporation
1095 Avenue of the Americas
40th Floor
New York, New York 10036

Bell Atlantic Network Services, Inc.
Attn: Jack H. White, Jr.
Associate General Counsel
1320 N. Court House Road, 8th Floor
Arlington, Virginia 22201

Bell Atlantic – Virginia, Inc.
Attn: General Counsel
600 East Main Street
24th Floor
Richmond Virginia 23261



Michael L. Shor

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7645

KEMAL M. HAWA
DIRECT DIAL (202) 945-6987
KMHAWA@SWIDLAW.COM

NEW YORK OFFICE
919 THIRD AVENUE
NEW YORK, NY 10022

July 1, 1999

VIA OVERNIGHT DELIVERY

Mr. Jeffrey A. Masoner
Vice-President
Bell Atlantic Corporation
1320 North Courthouse Road, 2nd Floor
Arlington, VA 22201

Re: US LEC of Pennsylvania Inc. (Delaware, New Jersey, Pennsylvania) and US LEC of Virginia L.L.C. (Virginia, Washington, D.C.)

Dear Mr. Masoner:

US LEC of Pennsylvania Inc. and US LEC of Virginia L.L.C. (collectively "US LEC"), by their counsel, and pursuant to 47 USC § 252(i), hereby request that Bell Atlantic provide it with interconnection, access to unbundled network elements, and resale in Delaware, New Jersey, Pennsylvania, Virginia, and Washington, D.C. on the same terms and conditions as are contained in your interconnection agreements with MCI Metro Access Transmission Services, Inc., in each of those states, including all amendments to the agreements as of the date of this letter. US LEC has already submitted to you the Information Request Forms requested by Bell Atlantic for each of these states.

Although US LEC requires an interconnection agreement in each of these states as soon as reasonably possible, kindly process the Pennsylvania opt-in request first, as US LEC's market entry date in Pennsylvania is the first to arrive. Please contact us if we can provide any further information and so that we can discuss how to proceed with this request.

Very truly yours,



Russell M. Blau
Kemal M. Hawa

Counsel for US LEC of Pennsylvania Inc. and
US LEC of Virginia L.L.C

cc: Aaron Cowell, Esq.
Mr. Gary Grefrath
Mr. Rich Dender
Ms. Cathy Quinn

INTERCONNECTION AGREEMENT UNDER SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996

This Interconnection Agreement (this "Agreement"), under Sections 251 and 252 of the Telecommunications Act of 1996 (the "Act"), is effective as of the 26th day of July, 1999 (the "Effective Date"), by and between Bell Atlantic - Virginia, Inc. ("BA"), a Virginia corporation with offices at 600 East Main Street, Richmond, Virginia, 23261, and US LEC of Virginia, LLC ("USLEC"), a Delaware limited liability company with offices at Transamerica Square, Suite 1000, 401 North Tryon Street, Charlotte, North Carolina 28202 (each, a "Party" and, collectively, the "Parties").

WHEREAS, USLEC has requested, pursuant to Section 252(i) of the Act, that BA make available to USLEC Interconnection, services and unbundled Network Elements upon the same terms and conditions as provided in the Interconnection Agreement (and amendments thereto) between MCImetro Access Transmission Services of Virginia, Inc. and BA, dated as of July 17, 1997, for Virginia, approved by the Commission under Section 252 of the Act, copies of which agreement and amendments are attached hereto as Appendix 1 (the "Separate Agreement"); and

WHEREAS, BA has agreed, subject to the terms and conditions set forth below, to make available to USLEC hereby Interconnection, services and unbundled Network Elements upon the terms and conditions of the Separate Agreement;

NOW, THEREFORE, in consideration of the mutual provisions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, USLEC and BA hereby agree as follows:

1.0 Incorporation of Separate Agreement and Appendix 2 by Reference

1.1 Except as expressly stated herein, the terms and conditions of the Separate Agreement, as it is in effect on the date hereof after giving effect to operation of law, and of Appendix 2 hereto, are incorporated by reference in their entirety herein and form an integral part of this Agreement.

1.2 References in the Separate Agreement to MCImetro Access Transmission Services of Virginia, Inc. or to MCI shall for purposes of this Agreement be deemed to refer to USLEC.

1.3 References in the Separate Agreement to the "Effective Date", the date of effectiveness thereof and like provisions shall for purposes of this Agreement be deemed to refer to the date first written above. Unless terminated earlier in accordance with the terms of the Separate Agreement, this Agreement shall continue in effect until the Separate Agreement expires or is otherwise terminated.

1.4 All references in the Separate Agreement to "800/888" shall be deleted in their entirety and replaced with the following: "800/888/877".

1.5 All usage data to be provided pursuant to Sections 3.1.3.8 and 3.1.3.9 of Attachment VIII of the Separate Agreement shall be sent to the following address on behalf of USLEC:



US LEC of Virginia ~~Inc.~~ L.L.C.
Attn: Network Cost
8210 Univ. Executive Park Drive
Suite 300
Charlotte, North Carolina 28262

1.6 All certificates or other proof of insurance to be sent to BA under Section 15 of Attachment VI of the Separate Agreement shall be sent to the following address:

Director - Interconnection Services
Bell Atlantic - Telecom Industry Services
Room 1423
1095 Avenue of the Americas
New York, New York 10036

1.7 All notices, affidavits, exemption-certificates or other communications to USLEC under Section 27.7 of Part A of the Separate Agreement shall be sent to the following address:



US LEC of ~~Pennsylvania~~ Virginia L.L.C.
Attn: Manager - Tax Administration
Transamerica Square
401 North Tryon Street
Suite 1000
Charlotte, North Carolina 28202
Telephone: (704) 319-1000
Facsimile: (704) 319-3098

1.8 All notices, affidavits, exemption-certificates or other communications to BA under Section 27.7 of Part A of the Separate Agreement shall be sent to the following address:

Tax Administration
Bell Atlantic Corporation
1095 Avenue of the Americas
Room 3109
New York, New York 10036
Telephone: (212) 395-1280
Facsimile: (212) 597-2915

1.9 Notices to USLEC under Section 14 of Part A of the Separate Agreement shall be sent to the following address:

Swidler Berlin Shereff Friedman, LLP
Attn: Russell M. Blau and Kemal M. Hawa
3000 K Street N.W.
Suite 300
Washington, D.C. 20007
Telephone: (202) 424-7500
Facsimile: (202) 424-7645

with a copy to:



US LEC of ~~Pennsylvania, Inc.~~ Virginia L.L.C.
Attn: Aaron Cowell – General Counsel
Transamerica Square
401 North Tryon Street
Suite 1000
Charlotte, North Carolina 28202
Telephone: (704) 319-1000
Facsimile: (704) 319-3098

1.10 Notices to BA under Section 14 of Part A of the Separate Agreement shall be sent to the following address:

President - Telecom Industry Services
Bell Atlantic Corporation
1095 Avenue of the Americas
40th Floor
New York, New York 10036
Facsimile: (212) 597-2585

with a copy to:

Bell Atlantic Network Services, Inc.
Attn: Jack H. White, Jr.
Associate General Counsel
1320 N. Court House Road, 8th Floor
Arlington, Virginia 22201
Telephone: (703) 974-1368
Facsimile: (703) 974-0744

with a copy to:

Bell Atlantic – Virginia, Inc.

Attn: General Counsel
 600 East Main Street
 24th Floor
 Richmond, Virginia 23261

1.11 The rates, charges and other terms set forth in Appendix 2 hereto shall replace and supersede in their entirety the rates, charges and other terms set forth in Table 1 of Attachment I to the Separate Agreement.

2.0 Clarifications

2.1 BA has advised USLEC that BA disputes the applicability of the Separate Agreement's Reciprocal Compensation arrangements to Internet traffic (herein the "Disputed Issue"). USLEC believes that the Separate Agreement's Reciprocal Compensation arrangements apply to Internet Traffic but acknowledges that the Parties disagree as to the meaning of the Separate Agreement with respect to the Disputed Issue, and that BA's execution and delivery of this Agreement does not constitute a voluntary adoption or reaffirmation of the Separate Agreement, an admission that any provision of the Separate Agreement (or USLEC's interpretation thereof) is lawful or reasonable, or a release or waiver of BA's claims and defenses pertaining to the Disputed Issue. The entry into, filing and performance by the Parties of this Agreement does not in any way constitute a waiver by either Party of any of the rights and remedies it may have to seek review of any of the provisions of this Agreement or the Separate Agreement, or to petition the Commission, other administrative body or court for reconsideration or reversal of any determination made by any of them, or to seek enforcement or review in any way of any portion of this Agreement or the Separate Agreement in connection with the Disputed Issue or USLEC's election under 47 USC § 252(i).

2.2 The Parties agree that if any judicial or regulatory authority of competent jurisdiction determines (or has determined) that BA is not required to furnish any service or item or provide any benefit to Telecommunications Carriers otherwise required to be furnished or provided to USLEC hereunder, then BA may, at its sole option, avail itself of any such determination by providing written notice thereof to USLEC.

2.3 Notwithstanding anything to the contrary contained in this Agreement, the Parties agree that BA shall only be required to provide Combinations and any services related to its provision of Combinations to the extent (a) required by Applicable Law or (b) mutually agreed to by the Parties in writing after the date hereof.

2.4 For the avoidance of doubt, the Parties acknowledge and agree that the term "Dedicated Transport", as described in Section 10 of Attachment III of the Separate Agreement, includes subscriber premises only if such premises contain Central Office switching equipment used for interoffice transmission to and from the other end of the Dedicated Transport path.

2.5 Notwithstanding any other provisions of this Agreement, BA shall have no obligation to perform under this Agreement until such time as USLEC has obtained a Certificate

of Public Convenience and Necessity ("CPCN") or such other Commission authorization as may be required by law as a condition for conducting business in the Commonwealth of Virginia as a local exchange carrier.

1/3
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed
as of this 26rd day of July, 1999.

US LEC OF VIRGINIA, LLC

By: Gary Lefebvre

Printed: GARY LEFEBVRE

Title: GVF - ADMIN.

BELL ATLANTIC - VIRGINIA, INC.

By: Jeffrey A. Masoner

Printed: Jeffrey A. Masoner

Title: Vice-President - Interconnection Services
Policy & Planning



MCImetro/Bell Atlantic
INTERCONNECTION AGREEMENT 1997

MCImetro Access Transmission Services of Virginia, Inc.
and
Bell Atlantic-Virginia, Inc.

June, 1997

**MCImetro/Bell Atlantic
INTERCONNECTION AGREEMENT 1997**

This MCImetro/Bell Atlantic Interconnection Agreement (the "Agreement"), effective July 17, 1997 (the "Effective Date"), is entered into by and between MCImetro Access Transmission Services of Virginia, Inc. ("MCIm"), a Virginia corporation, and Bell Atlantic - Virginia, Inc. ("Bell Atlantic" or "BA"), a Virginia corporation, to establish the rates, terms and conditions for the purchase and provision of Local Interconnection, Local Resale, unbundled Network Elements and other services, all as set forth in this Agreement (individually referred to as the "service" or collectively as the "services") for the purpose of the purchasing Party's provision of Telephone Exchange Service, Exchange Access Service, and/or Telecommunications Services.

WHEREAS, on February 8, 1996, the Communications Act of 1934, 47 U.S.C. § 151, *et seq.*, (the "Act") was amended by the Telecommunications Act of 1996; and

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to, Telecommunications Carriers and Local Exchange Carriers; and

WHEREAS, the Parties are Telecommunications Carriers and Local Exchange Carriers; and

WHEREAS, the Act places certain duties and obligations upon, and grants certain rights to, Incumbent Local Exchange Carriers, and Bell Atlantic is an Incumbent Local Exchange Carrier; and

WHEREAS, the Parties wish to interconnect their local exchange networks for the provision of Telephone Exchange Service, for the transmission and termination of local calls, so that subscribers of each can receive local calls that originate on the other's network and place local calls that terminate on the other's network, and for use in the provision of Exchange Access Service ("Local Interconnection"); and

WHEREAS, MCIm wishes to purchase Telecommunications Services for resale to others ("Local Resale" or "Services for Resale"), and Bell Atlantic is willing to provide such service; and

WHEREAS, MCIm wishes to purchase on an unbundled basis Network Elements, and to use such services for the provision of Telecommunications Services to others, and Bell Atlantic is willing to provide such services on the terms set forth herein; and

WHEREAS, the Parties intend the rates, terms and conditions of this Agreement, and their performance of obligations thereunder, to comply with the Act, the Rules and Regulations of the Federal Communications Commission ("FCC"), and the orders, rules and regulations of the Virginia State Corporation Commission (the "Commission");

NOW, THEREFORE, in consideration of the premises and the mutual covenants of this Agreement, and intending to be legally bound by this Agreement, the Parties hereby covenant and agree as follows:

PART A – GENERAL TERMS AND CONDITIONS

Section 1. Scope of this Agreement

1.1 This Agreement, consisting of Parts A, B and C, specifies the rights and obligations of each Party with respect to the purchase and sale of Local Interconnection, Local Resale and Network Elements. This PART A sets forth the general terms and conditions governing this Agreement. Capitalized terms used in this Agreement shall have the meanings defined in PART B – DEFINITIONS, or as otherwise elsewhere defined throughout this Agreement. PART C sets forth, among other things, descriptions of the services, pricing, technical and business requirements, and physical and network security requirements.

LIST OF ATTACHMENTS COMPRISING PART C:

- I. Price Schedule
- II. Local Resale
- III. Network Elements
- IV. Interconnection
- V. Collocation
- VI. Rights of Way
- VII. Number Portability
- VIII. Business Process Requirements
- IX. Security Requirements
- X. Performance Reporting

1.2 Bell Atlantic shall provide the services in any Technically Feasible Combination requested by MCI, pursuant to the terms of this Agreement and in accordance with the requirements of Applicable Law, or where appropriate, the Bona Fide Request ("BFR") process set forth in Section 25 (BFR Process for Further Unbundling) of Part A, except that Local Resale shall be provided pursuant to Attachment II. Neither Party shall discontinue or refuse to provide any service provided or required hereunder, except in accordance with the terms hereof, without the other Party's written agreement. Bell Atlantic shall not reconfigure, reengineer or otherwise redeploy its network in a manner which would impair MCI's ability to offer Telecommunications Services in the manner contemplated by this Agreement, the Act or the FCC's Rules and Regulations without providing notice of Network Changes in accordance with the Act and FCC Rules and Regulations.

1.3 The Parties acknowledge that some of the services, facilities and arrangements provided pursuant to this Agreement are or will be available under and subject to the

terms of the federal or state Tariffs of the Party providing them. To the extent that a Tariff of a Party applies to any service, facility or arrangement provided pursuant to this Agreement, the following shall apply:

1.3.1 The rates and charges set forth in Attachment I shall remain fixed for the term of this Agreement or until superseded by such rates (whether interim or permanent) as may be applied by the Commission, notwithstanding that either of such rates may be different from those set forth in any effective, pending or future Tariff of the providing Party, (including any changes or modifications to any such Tariff—or any new Tariff—filed after the Effective Date of this Agreement); provided, however, this Section 1.3.1 shall remain subject to Section 1.3.3.

1.3.2 This Agreement and any applicable Tariffs of either Party shall be construed whenever possible to avoid any conflict between them. The fact that a condition, term, right or obligation appears in the Agreement and not in a Tariff, or in a Tariff but not in the Agreement, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.3.

1.3.3 Any change or modification to any Tariff (including any Tariff filed after the Effective Date hereof) filed by either Party that materially and adversely impacts the provision or receipt of services hereunder or which materially and adversely alters the terms hereof shall only be effective against the other Party to the extent permitted by: (i) that Party's written consent; or (ii) an affirmative order of the Commission. Each Party shall file any required Tariff revisions, modifications or amendments in order to comply with Applicable Law and to continue performance of this Agreement in a lawful manner.

1.4 Construction

1.4.1 For purposes of this Agreement, certain terms have been defined in Part B or elsewhere in this Agreement. These terms will have the meanings stated in this Agreement, which may differ from, or be in addition to, the normal definition of the defined word. A defined word intended to convey the meaning stated in this Agreement is capitalized when used. Other terms that are capitalized, and not defined in this Agreement, shall have the meaning stated in the Act.

1.4.2 Unless the context clearly indicates otherwise, any defined term which is defined or used in the singular shall include the plural, and any defined term which is defined or used in the plural shall include the singular.

1.4.3 The words "shall" and "will" are used interchangeably throughout this Agreement and the use of either indicates a mandatory requirement. The use of one or the other shall not mean a different degree of right or obligation for either Party.

1.4.4 Conflicts among terms in Parts A and B of this Agreement, the Attachments and the Exhibits thereto, and the Tariffs shall be resolved in accordance with the following order of precedence, where the document identified in Subsection "(i)" shall have the highest precedence: (i) Parts A and B of this Agreement; (ii) the Attachments and the Exhibits thereto; and (iii) the Tariffs. The fact that a matter is addressed in one of these documents, but not in another, shall not constitute a conflict for purposes of this Section 1.4.4.

Section 2. Regulatory Approvals

2.1 The Parties shall promptly submit this Agreement, and any amendment or modification hereof, to the Commission for approval in accordance with Section 252 of the Act. Following such submission, the Parties shall submit the Agreement to any other applicable governmental entity for any requisite approvals. In the event any governmental authority or agency rejects any provision hereof, the Parties shall negotiate promptly and in good faith such revisions as may reasonably be required to achieve approval.

2.2 In the event the FCC or the Commission promulgates rules or regulations, or issues orders, or a court of competent jurisdiction issues orders, which make unlawful any provision of this Agreement, or which materially reduce or alter the services required by statute or regulations and embodied in this Agreement, then the Parties shall negotiate promptly and in good faith in order to amend the Agreement to substitute contract provisions which conform to such rules, regulations or orders. In the event the Parties cannot agree on an amendment within thirty (30) days after the date any such rules, regulations or orders become effective, then the Parties shall resolve their dispute under the applicable procedures set forth in Section 24 (Dispute Resolution Procedures) hereof.

2.3 The Parties intend that any services requested by either Party relating to the subject matter of this Agreement that are not offered hereunder will be incorporated into this Agreement by amendment upon agreement by the Parties.

2.4 In the event that any legally effective legislative, regulatory, judicial or other legal action materially affects any material terms of this Agreement, or the ability of MCI or Bell Atlantic to perform any material terms of this Agreement, MCI or Bell Atlantic may, on thirty (30) days written notice (delivered not later than thirty (30) days following the date on which such action has become legally binding or has otherwise become legally effective) require that such terms be renegotiated, and the Parties shall renegotiate in good faith such mutually acceptable new terms as may be required.

2.5 When this Agreement is filed with the Commission for approval, the Parties will request that the Commission: (a) approve the Agreement, and (b) refrain from taking any action to change, suspend or otherwise delay implementation of the Agreement.

2.6 Each Party shall be responsible for obtaining and keeping in effect all FCC, Commission, franchise authority and other governmental approvals, that may be required in connection with the performance of its respective obligations under this Agreement.

Section 3. Term of Agreement

3.1 This Agreement shall become effective as of the Effective Date stated above and, except as otherwise provided in this Agreement, shall remain in effect until July 17, 2000, and thereafter until terminated as provided in this Agreement. At least one hundred eighty (180) days before the term expires, either Party shall file with the Commission any request for an extension of that term, and shall on the same day provide notice to the other Party. At least one hundred fifty (150) days before the term expires, the other Party shall respond to the requested extension. If for any reason a new agreement has not been reached by the end of the three-year term, the existing interconnection agreement shall continue, month-to-month, under the same terms and conditions, subject to a true-up, until resolved by the Commission.

3.2 This Agreement shall be effective between the Parties as of the Effective Date, notwithstanding the pendency of proceedings challenging the Commission's approval of the Agreement.

3.3 Each Party recognizes that the services being provided under this Agreement at the time of its termination may need to be continued without interruption thereafter, and that upon such termination, either Party may itself provide or retain another vendor to provide comparable services. Each Party agrees to cooperate in an orderly and efficient transition to the other Party or another vendor such that the level and quality of the services are not degraded, and to exercise reasonable efforts to effect an orderly and efficient transition.

3.4 Unless a service is required to be offered by a Party under Applicable Law, either Party may terminate any service provided under this Agreement upon thirty (30) days prior written notice to the other Party unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff or Applicable Law) for termination of such service, in which event such specified period and/or conditions shall apply. Upon termination of its purchase of a service by the purchasing Party, the purchasing Party shall pay any applicable termination charges specified in this Agreement. Upon termination of a Local Resale service by Bell Atlantic, MCIIm shall be entitled to continue providing the terminated service to MCIIm's subscribers on a grandfathered basis to the same extent, and subject to the same terms and conditions, as would apply to such subscribers if they had been subscribers of Bell Atlantic for the terminated service at the time the service is terminated, and Bell Atlantic shall continue to provide such services to MCIIm on the same basis.

3.5 Following the expiration of this Agreement, this Agreement shall remain in effect as to any Expiring Service for the remainder of any contract period applicable to such Expiring Service at the time of the expiration of this Agreement. If an Expiring Service

is terminated prior to the expiration of the contract period applicable to such Expiring Service, MCI shall pay any termination charge provided for in this Agreement, in an applicable Tariff, or in the contract applicable to the Expiring Service. Following expiration of the applicable contract period for an Expiring Service, the Expiring Service, until terminated, shall be subject to: (i) any effective agreement superseding this Agreement; or (ii) to the extent such Expiring Service is not covered by such superseding agreement, applicable Tariffs. For the purposes of this Section 3.5, "Expiring Service" means: (a) any Local Resale service that, upon expiration of the term of this Agreement, is being provided under this Agreement and is subject to a remaining contract period greater than one (1) month; or (b) any Local Resale service: (i) for which an order has been submitted and accepted pursuant to this Agreement prior to the expiration of this Agreement but such service is not being provided at the expiration of this Agreement; and (ii) that is subject to an initial contract period which is greater than one (1) month.

Section 4. Charges and Payment

4.1 In consideration of the services provided under this Agreement, the purchasing Party shall pay the charges set forth in Attachment I. The billing and payment procedures for charges incurred by a purchasing Party hereunder are set forth in Attachment VIII.

Section 5. Assignment

5.1 Any assignment or delegation by either Party to any non-affiliated entity of any right, obligation or duty, or of any other interest hereunder, in whole or in part, without the prior written consent of the other Party shall be void (except the assignment of a right to moneys due or to become due). A Party assigning or delegating this Agreement or any right, obligation, duty or other interest hereunder to an Affiliate shall provide written notice to the other Party. All obligations and duties of any Party under this Agreement shall be binding on all successors in interest and assigns of such Party. No assignment or delegation hereof shall relieve the assignor of its obligations under this Agreement.

5.2 If any obligation of either Party is performed by a subcontractor or Affiliate, such Party shall remain fully responsible for the performance of this Agreement in accordance with its terms.

Section 6. Compliance with Laws

6.1 Each Party shall perform terms, conditions and operations under this Agreement in a manner that complies with all Applicable Law, including all regulations and judicial or regulatory decisions of all duly constituted governmental authorities of competent jurisdiction. Each Party shall be responsible for obtaining and keeping in effect all FCC, state regulatory commission, franchise authority and other regulatory approvals that may be required in connection with the performance of its obligations under this Agreement. Each Party shall reasonably cooperate with the other in obtaining and maintaining any approvals required by this Section. In the event the Act or FCC Rules and Regulations

applicable to this Agreement are held invalid, this Agreement shall survive, and the Parties shall promptly renegotiate any provisions of this Agreement which, in the absence of such invalidated Act, Rule or Regulation, are insufficiently clear to be effectuated.

6.2 Except as otherwise specified in this Agreement, each Party shall be responsible for: (i) all costs and expenses it incurs in complying with its obligations under this Agreement; and (ii) the development, modification, technical installation and maintenance of any systems or other infrastructure which it requires to comply with and to continue complying with its responsibilities and obligations under this Agreement.

Section 7. Governing Law

7.1 The validity of this Agreement, the construction and enforcement of its terms, and the interpretation of the rights and duties of the Parties, shall be governed by the Act and the laws of the Commonwealth of Virginia, without regard to its conflicts of laws rules.

Section 8. Relationship of Parties

8.1 Each Party is an independent contractor, and has and hereby retains the right to exercise full control of and supervision over its own performance of its obligations under this Agreement.

8.2 Each Party retains full control over the employment, direction, compensation and discharge of all of its employees, agents and contractors assisting in the performance of its obligations under this Agreement. Each Party will be solely responsible for all matters relating to payment of its employees, agents and contractors, and payment of Social Security and other taxes in association with such employees, agents and contractors, and withholding and remittance of taxes from such employees, agents and contractors.

8.3 Nothing contained within this Agreement shall:

8.3.1 Make either Party the agent, servant or employee, of the other Party;

8.3.2 Grant either Party the authority to enter into a contract on behalf of, or otherwise legally bind, the other Party in any way;

8.3.3 Create a partnership, joint venture, or other similar relationship between the Parties; or

8.3.4 Grant to either Party a franchise, distributorship, or similar interest.

8.4 The relationship of the Parties under this Agreement is a non-exclusive relationship. Each Party shall have the right:

8.4.1 To provide services to be provided by it under this Agreement to persons other than the other Party; and

8.4.2 To purchase services which can be purchased by it under this Agreement from persons other than the other Party.

Section 9. No Third Party Beneficiaries

9.1 Except as may be specifically set forth in this Agreement, this Agreement does not provide and shall not be construed to provide any third parties (including, but not limited to, subscribers or subcontractors of a Party) with any right, remedy, claim, reimbursement, cause of action, or other privilege. The provisions of this Agreement are for the benefit of the Parties hereto and not for any other person, provided, however, that this shall not be construed to prevent either Party from providing its Telecommunications Services to any entities.

Section 10. Intellectual Property Rights

10.1 Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. Except for a limited license to use a Party's patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel.

10.2 Bell Atlantic shall indemnify MCIIm with respect to MCIIm's use, pursuant to the terms of this Agreement, of intellectual property associated with any new Bell Atlantic network equipment or software acquisitions. Bell Atlantic warrants that it will not enter into any licensing agreements with respect to new Bell Atlantic network equipment or software acquisitions that contain provisions that would disqualify MCIIm from using or interconnecting with such network equipment or software pursuant to the terms of this agreement. Bell Atlantic also warrants that it has not and will not intentionally modify any existing licensing agreements for existing network equipment or software in order to disqualify MCIIm from using or interconnecting with such network equipment or software pursuant to the terms of this agreement. To the extent that the providers of equipment or software in Bell Atlantic's network provide Bell Atlantic with indemnities covering intellectual property liabilities and those indemnities allow a flow through of protection to third parties, Bell Atlantic shall flow those indemnity protections through to MCIIm. Bell Atlantic will inform MCIIm of any pending or threatened intellectual property claims relating to Bell Atlantic's network of which Bell Atlantic is aware and will update that notification periodically as needed, so that MCIIm receives maximum notice of any intellectual property risks it might want to address. Notwithstanding any part of this Section 10, MCIIm retains the right to pursue legal remedies against Bell Atlantic if Bell Atlantic is at fault in causing intellectual property liability to MCIIm.